



MICHIGAN LOTTERY RETAILER - PERFORMANCE REQUIREMENTS -

1. The Retailer shall immediately notify the Licensing Section of any lapse in on-line terminal operation that will exceed 48 hours in duration. The Retailer's equipment may be removed and/or the license may be revoked if the Retailer fails to promptly notify the Lottery of any lapse in an on-line terminal operation.
2. The Retailer's license shall be revoked if the Retailer has an unapproved lapse in operation that exceeds 30 calendar days.
3. The Retailer shall pay the fees set by the Lottery; for communication equipment installation (telephone line), for failure to promptly settle for any game, and for failure to meet minimum sales performance requirements. The following fees are established in accordance with Lottery Rules and may be modified by the Lottery at any time. Retailers will be provided advance written notice of any fee changes.
 - a. Communication Equipment (telephone line) Fee -
 - 1) \$420.10 for installation of telecommunication service for an on-line Lottery terminal.
 - 2) \$100 per month for an approved "inactive" status of an on-line terminal.
 - b. Delinquency Fee - \$200 This fee may be assessed by the Lottery each time a Retailer is delinquent.
 - c. Terminal Minimum Performance Fee - Currently, the weekly sales for Retailers with on-line terminals must be \$500 per week.
 - (1) New On-line Retailers - Retailers who qualify and receive a terminal shall become subject to the Terminal Minimum Performance Fee beginning with the third month of operation as an on-line Retailer.
 - (2) Notification of Sales Performance - Retailers are responsible for monitoring their sales performance using the daily and weekly reports available through the terminal as well as their instant game tickets sales to determine total sales. Retailers whose sales fall below \$500 per week will be notified by the Lottery and will be assessed a fee.
 - (3) Failure to pay Terminal Minimum Performance Fee - Failure to pay the Terminal Minimum Performance Fee will result in removal of the terminal from the Retailer's place of business.
4. Retailers must not be delinquent in settling accounts with the Lottery.
 - a. A Retailer's selling privileges may be suspended upon determination that the Retailer is delinquent for any settlement.

- b. Retailers are expected to promptly “make good” a delinquency by remitting a cashier’s or certified check to the Lottery for the full amount of the delinquency plus any delinquency fee. A fee may be assessed for each delinquency in accordance with the fee schedule currently in effect.
- c. A Retailer who fails to promptly “make good” a delinquency shall be subject to license revocation.
- d. A Retailer who exceeds the established number of delinquencies within six consecutive months shall be subject to license revocation.
- e. Specific definitions of terms:
 - (1) Delinquent Retailer: A Retailer who fails to have sufficient good, available funds in the financial institution account at the time the Lottery attempts to electronically withdraw the Retailer’s settlement, or who fails to settle an invoice issued by the due date of the invoice, or who issues a non-sufficient funds check to the Lottery resulting in the financial institution’s refusal of the Electronic Funds Transfer (EFT) for payment.
 - (2) Good, Available Funds: Unrestricted funds credited to a Retailer’s account that a financial institution will release for payment of an EFT. Unrestricted funds do not include checks placed on hold by the financial institution until they have cleared the maker’s account or deposited checks that the maker’s financial institution has returned unpaid.
 - (3) Waiver of Delinquency: A Retailer may not be considered delinquent if:
 - (a) An EFT return occurs the first week that an EFT is attempted against a newly established EFT account; or
 - (b) The Retailer has notified the Lottery of a robbery resulting in the loss of funds and has provided a copy of the police report; or
 - (c) An EFT is returned because of a verifiable financial institution error. Documentation shall include:
 - 1) Letter from a financial institution officer.
 - 2) A deposit ticket (both sides) showing cash was deposited into the proper account.
 - 3) Monthly statement showing daily balances.
- 5. Failure to meet the performance requirements or the terms and conditions of the Contract shall result in disciplinary action depending on the nature and severity of the violation. When the severity of a violation warrants equipment removal and/or license revocation, the Retailer may request a conference with the Commissioner or the Commissioner’s designee. At this informal conference, the alleged violation shall be reviewed with the Retailer. The Retailer shall have the opportunity to refute the alleged violation or to explain the reasons for the violation. The Retailer will be notified in writing of the Commissioner’s decision.